GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1077
ANSWERED ON:20.08.2007
INCENTIVES TO SUGAR INDUSTRY
Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has announced some non-cash incentives to sugar industry to encourage exports;

(b) if so, the details thereof;

(c) the period for which the incentives have been extended; and

(d) the manner in which sugar industry is likely to be benefited by such incentives?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a),(b)&(c): The Central Government vide Press Note dated 8th February, 2007, decided to give the following non-cash incentives to sugar factories undertaking export of sugar:-

(i) the sugar meant for export will be exempted from the levy obligation; and

(ii) the quantity of sugar released for export would be treated as advance non-levy (free sale) releases to be adjusted in the free sale stocks of sugar factories after a period of 12 months.

The above non-cash incentives were allowed on export of sugar made during the period 03.01.2007 to 02.07.2007 under Advance Authorization Scheme and 23.01.2007 to 22.07.2007 for export under Open General License. In June, 2007, the Central Government decided to extend the period of above incentives by another 6 months or till further orders, whichever is earlier. Accordingly, the period of incentive has been extended from 03.07.2007 to 02.01.2008 for exports under Advance Authorization Scheme and 23.07.2007 to 22.01.2008 under Open General License Scheme or till further orders, whichever is earlier. The above incentives are not available to exports under preferential quota.

(d): By way of exemption from levy obligation, the concerned sugar factory would not be required to deliver levy sugar on the quantity of sugar exported to the Government at levy prices. As regards deferment of adjustment of quantity of sugar exported, the concerned sugar factory would get higher non-levy (free sale) sugar releases for sale in the domestic market which would save their carrying cost on such higher non-levy releases.